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E.O. 12958: DECL: 08/20/2019
TAGS: [PREL](#) [PGOV](#) [EAID](#) [KDEM](#) [PINR](#) [BL](#)
SUBJECT: BOLIVIANS PRESS FOR END TO ADDITIONAL USAID
PROGRAMS

REF: A. LA PAZ 1111
[1](#)B. LA PAZ 1062
[1](#)C. LA PAZ 1043
[1](#)D. LA PAZ 1027

Classified By: Charge d'Affaires John Creamer, reasons 1.4b,d

[1](#)1. (C) Summary: Despite recent assurances from Bolivian Foreign Minister David Choquehuanca that the GOB directive to suspend USAID democracy programs should not apply to our public administration and conflict resolution programs (reftels), Bolivian Planning Minister Noel Aguirre wrote our acting USAID country director August 17 to request termination of those programs as well. Charge met with Deputy Foreign Minister Hugo Fernandez to seek clarification and underscore our deep concern, while USAID has reached out to sympathetic ministries and affected beneficiaries to apprise them of the GOB's intentions. Fernandez agreed with the Charge in principle to "suspend," rather than "close," these USAID activities pending discussion within the bilateral framework process. Charge will meet with FM Choquehuanca August 24 to confirm this arrangement. End summary.

[1](#)2. (C) Following up on then-Charge Creagan's July 29 meeting with FM Choquehuanca, in which Choquehuanca readily agreed that USAID public administration projects should not be included in the GOB suspension, USAID officials met with Planning Ministry and other counterparts August 10 to review our programs and plans in more detail. In that meeting, USAID officials emphasized that our programs are developed in close consultation with the GOB, in support of the GOB National Development Plan, reported that democracy programs had been effectively suspended in accordance with the GOB's request, but indicated that activities under USAID's public administration and conflict mitigation portfolios would continue. USAID also reiterated the agreement reached with Ministers Choquehuanca and Aguirre that the suspensions and the broader issue of aid would be addressed in the next round of bilateral talks.

[1](#)3. (C) The August 10 technical-level meeting went well, and it seemed that our efforts to manage the GOB initiative were holding. On August 17, however, Minister Aguirre sent a second letter reiterating the July 9 instruction to end

democracy programs and making explicit that this directive applies to public administration and conflict resolution programs as well. The language of this letter was stronger than the first, and more definitive than Aguirre's own initial presentation to USAID, in which he took pains to explain that the action was a "suspension" only. The August 17 letter refers to closure of the programs and demands written evidence that these closures have taken place.

14. (C) The Charge sought urgent meetings with Deputy FM Fernandez and FM Choquehuanca (out of the country until August 24) to seek an explanation for this reversal and underscore the great damage these actions could do to ongoing bilateral talks. Meanwhile, recognizing that neither GOB directive had yet been made public, USAID has been reaching out to affected program beneficiaries and partner ministries (one of whom had requested additional program assistance just days earlier) to let them know of the latest Aguirre letter and subtly encourage them to weigh in on the matter before the decision becomes irreversible.

15. (C) In his August 20 meeting with the Charge, Acting FM Fernandez agreed that the tone of Aguirre's letter was aggressive, but suggested that the Planning Minister's line had been hardened because of the lengthy delays in getting to a second round of bilateral talks. Aguirre was also facing increased pressure from senior GOB leaders and social groups to take action, Fernandez observed. The Charge accepted that scheduling of the talks have been delayed longer than we had hoped, but emphasized that such unilateral actions threaten to poison the atmosphere of the talks -- something we very

much want to avoid. The Charge also noted that, once terminated, the affected USAID programs would be extremely difficult to restart.

16. (C) Reiterating the Bolivian government's interest in transforming assistance (to make it state-to-state or otherwise under GOB direction), Fernandez finally allowed that "suspending" the affected USAID activities until bilateral talks can take up the issue could be an acceptable alternative to immediate closure. He pledged to consult with other ministries and government officials, and indicated that FM Choquehuanca should be prepared to provide a more definitive position when he meets the Charge August 24. The Charge and Fernandez agreed that if we move forward with this compromise, both sides should meet soon on a technical level (USAID and GOB counterparts) to ensure a smooth and transparent suspension of activities.

17. (C) Comment: Fernandez may be right in attributing the timing of these actions to GOB frustration with the pace of bilateral talks, but these directives likely also reflect pressure from hardliners who would like to derail the process. At this point, agreement on temporary suspension of these programs appears to be the best we can manage, avoiding GOB demands for immediate closure and perhaps giving time for internal lobbying to have some effect. It is even possible that the Bolivian government could welcome back some of these affected programs, which have the support of many government agencies, if the bilateral process could produce some kind of a new assistance framework (however short of the current GOB proposal).

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